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भारत संचार निगम लिमिटेड
(भारत सरकार का उपक्रम)
BHARAT SANCHAR NIGAM LIMITED
(A Govt. of India Enterprise)

No. 24- 12 / 2010/ NWO- CFA / IN

Dated 29 -07- 2011

To,

All Heads of Telecom Circles / Telecom Districts,
BSNL

Subject: Quarterly Review of Revenue Performance for wire line IN services and Strategy for achieving revenue in remaining quarters - Regarding

Kindly refer to this office letter of even number dated 04.04.11 vide which targets for IN services for the year 2011-12 were communicated. Revenue achievement for wire line IN services, in Q1 (2011—12) have been compiled and the same is available in enclosed Annexure -I and II. The salient points of the report are:

1. For Postpaid IN Services (Toll Free, VPN etc), only Rs 48 Crore was earned in Q1 (2011-12) against the prorated quarterly target of Rs 108/- Crore (45% of Q-target).
2. For Prepaid IN Services (ITC and FLPP). Rs 6.4/- Crore only could he achieved against the target of Rs 42/- Crore (15% of Q-target).
3. Overall Quarterly revenue achievement percentage for IN Services is 36% only against quarterly target.

The dismal revenue achievement of IN services has been viewed very seriously by Director (CFA). He pointed out that since the revenue performance of the circles is monitored by Hon'ble MOC&IT himself, therefore focused efforts are needed to increase the revenue in this segment also.

Though revenue performance of Pre paid Services (ITC/FLPP) is not satisfactory for almost all circles, however some of the circles like Karnataka have achieved 72% of Q-target as far as achievement of Post Paid revenue is concerned whereas performance of some other circles having similar revenue potential (in terms of industrial base, as postpaid IN service is mainly meant for enterprise segment like GJ, PB, RJ, TN, Kol TD etc is dismal. Even circles like UP (E) which has not very large industrial base has performed much better (48% achievement) in comparison to these circles by focusing on government sector. During discussion at circle level it has been noticed that in some of the circles:

1. No officer at GM level has been designated to monitor the revenue performance on regular basis.
2. Even at circles where GM level officer has been designated, no focused approach is being adopted and IN service is being handled as normal landline service.

3. Though many circles have initiated few one time steps in past but sustained efforts were not made and momentum gained from initiative was lost.
4. Many of the circles think that ITC Prepaid Service is the only major source of revenue from IN services and as revenue from ITC has dried up then there is no use of investing time and energy in other insignificant IN services.

This assumption is not true in present context. Share of non-ITC revenue in year 2008-09, was only 20% of total revenue, the same has now increased up to 88% in Q1 (2011-12). Year on year growth for postpaid revenue (TFS, UAN and VPN etc) is more than 25% as against the almost exponential fall in revenue of ITC. It is another matter that overall IN revenue has decreased, as increase in revenue from Postpaid Services was not enough to compensate the fall in revenue from Pre-paid Service.

There are no reasons that other circles can't perform better. It has been noticed that performance of those circles where focused efforts are being made and one GM level officer has been designated as nodal officer are performing much better in comparison to other circles.

It is expected that other circles who are lagging behind will immediately chalk out the required plans to achieve the target in rest of Quarters of this financial year. Some of the steps which can be immediately initiated are:

1. Designate one GM level officer at circle level to monitor IN revenue, if the same has not already been done.
2. For new customer acquisition:
 - a. Chalk out separate strategy for increasing revenue from new customer acquisitions in Prepaid (ITC /FLPP) and Postpaid Services (TFS, UAN, VPN etc). Strategy for Postpaid IN service must be further refined based on targeted customer segment like State/central Government, Private Companies etc.
 - b. For prepaid- strategy like giving small size ads in local news papers, playing FM jingles, distributing leaflets etc may be adopted. The feature of PIN less dialing recently introduced in ITC and new cheap 1SD rates introduced in higher denomination cards may be aggressively advertised.
 - c. Form dedicated teams and assign weekly targets.
 - d. For acquiring new postpaid customers steps like writing letters to potential customers, visiting the big potential customers by dedicated teams etc may be taken.
 - e. Visit premises of existing customers and offer them other IN services.
 - f. Persuade franchisee to sell the postpaid IN services also in addition to prepaid ITC cards.
3. For increasing ARPU from existing customers.
 - a. Monitoring of traffic on terminating PRI of TFS and UAN numbers on regular basis and asking customers to augment the PRI if calls are failing due to busy lines.

- b. Improving CCR of TFS and UAN numbers based on analysis of traffic report.
 - c. Asking customers to withdraw line **“Only from BSNL/MTNL”** published along BSNL Toll Free Number in public advertisement as BSNL Toll free service is now accessible from all operators network.
 - d. Resolve the complaint of IN customers on priority by appointing the Single point of contact.
4. As Bills for IN services are not being issued from CDR based platform especial care has to be taken by circles to ensure that Bills to customers are being issued on time and the same is being realized. For this, list of all IN customers may be taken from concerned SCP and necessary co-ordination with SSAs may be made to ensure the above.
 5. It is requested that in place of making one time efforts proper mechanism to sustain the efforts initiated and to monitor the performance may be put in place. NWO-CFA/EB/BD/Sales teams of Circle shall co-ordinate with each other to achieve the above objectives. In addition, circle may take the help of concerned SCP in-charges to get the required data for analysis etc. All concerned units may hold periodical meeting to review status of implementation of strategy.
 6. State/Central Governments, autonomous bodies etc are big potential customers who can be persuaded to subscribe to BSNL Postpaid IN Services.


It is again reiterated that wire line IN service should not be treated as other basic or value added service as there is huge revenue potential waiting to be tapped. ARPU per month for Toll Free Service is more than Rs 34,000/-, for UAN service 76,000/- and for VPN service is 58,000/-. This revenue is in addition to revenue being earned by providing PRI for operation of these services. IN service is one of such area where maximum revenue can be generated by making minimum (but focused) efforts.

It is expected that all circles that still have not made any concentrated efforts to achieve the revenue potential of IN services (especially the Postpaid Services) will make appropriate strategy as per above. It has been decided by the competent authority that in addition to monitoring of revenue performance of circles, steps taken by circles to achieve the same will also be monitored at Corporate Office level. The status of same will be compiled and put-up for consideration of higher management on monthly basis.

Accordingly, a Performa for reporting the actions planned/taken by circles has been prepared and is available at enclosed Annexure- III. You are requested to send the report on monthly basis to this office on email sanjaykumar1@bsnl.co.in and hariramshukla2@gmail.com by 10th of every month.

In case of any clarification/suggestion regarding the above, undersigned or other officer of this office may be contacted. Contact details of officer's related to IN service at Corp. Off/Circle Office/SSA/SCP level and other related documents/presentations can be downloaded from <http://tinyurl.com/2uh9a9u>.

Encl: A/A


(Hari Ram Shukla)
Sr. GM (NOW-CFA)

Copy To: GM (BP-Ent),BSNL,CO